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MMS COMMENTS  
BY: Michelle Taylor

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First of all let's talk about bad timing. When the industry is faced with serious financial difficulties you are proposing they spend additional dollars on reprogramming their computer systems? (Please refer to Susan Klein's comments on this issue.) Is this necessary at this time?

Until MMS & the States can get together and standardize production reporting I am opposed to any changes.

The operators have been forced to redesign their systems several times in the last few years. One of the biggest changes was for the State of New Mexico. This change alone cost the operators thousands of dollars and the State of New Mexico millions. After several years of modifications they still are trying to workout some of the "problem areas". For years Operators have encouraged the States and MMS to get together on the production reports to simplify and streamline paperwork, not only for the operators but the government as well. If operators reported all production and dispositions at the API completion level it would solve many auditing problems and amendment issues including the most significant one that has not been mentioned in this new design, where wells change from Units or Com's back to the lease, ect. Ideally the MMS could pull all production & sales volumes directly from the States or a central database, therefore, receiving 100% of the data electronically and with less errors than they currently have.

On the proposed changes I would like to comment on certain areas listed in the Federal Register.

1. It stated that both offshore and onshore operators must currently maintain two separate systems. Then why are you eliminating the 1 page 3160 to go with a 2 part (A&B) 4054. Also, strictly guessing on my part, I feel there may be more operators that already have 3160's set up on their systems than the 4054's. If so then why are you asking the majority to make these changes.

2. Any changes whether it's adding fields or dropping them is going to impact operators. Most operators do have a system in place that will need to be redesigned. Therefore, the templates and pull down menus will mean very little to many of the operators.

In closing I would also like to ask if there has been a problem with the way reporting has been done in the past, with the exception of the amendment problems mentioned earlier.

At this time I feel that the operators should not be forced to incur any unnecessary costs or retraining what's left of their personnel.